Purchased/Referred Care (PRC)

PRC- 101

Indian Health Service-Office of Resource Access and Partnerships (ORAP)

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Objective

- Introduction to PRC
- To provide an overview of the basic principles of the PRC program.

What is PRC?

From 42 CFR Part 136:

"Contract Health Services means health services provided at the expense of the Indian Health Service from public or private medical or hospital facilities other than those of the service."*

*The Consolidated Appropriation Act of 2014 renamed the Contract Health Services (CHS) program to Purchased/Referred Care (PRC) program. All policies and practices remain the same.

IHS Direct Care (42 CFR §136.12)

Indian Descent: A person requesting ***IHS Direct Care Services**** must provide proof of enrolled membership; or proof that he/she descends from an enrolled member, of a federally recognized tribe (42 CFR 136.12). PRC eligibility begins with the eligibility for Direct Care services.

****services available onsite at an IHS or Tribal Health Facility.***

There are 575 U.S. Federally Recognized Tribes (as of Dec 2025**)**

Tribes are recognized by Federal recognition statute or through the Bureau of Indian Affairs (BIA) administrative recognition process.

Patient Registration

PRC eligibility begins with Direct Care eligibility. Patient registration is the first point of contact for clinic visits, obtaining the patient **demographic** information is a very important and should be updated every clinic visit.

- Information such as demographics mailing address, include physical location residence for rural areas, emergency contacts; telephone numbers are essential for patient follow up and where PRC vendor/providers contact the patient to schedule appointments.
- Tribal Enrollment and/or descendent documentation is a requirement for direct care service and should only be required one time.
- Updating Private Insurance, Medicare, Medicaid and any Alternate Resource (AR) information benefits direct care billing, PRC payment (PRC is the Payor of Last Resort) and Medicaid referrals may require further processing if IHS is not the Medicaid recipient's Primary Care Provider. Verify Alternate Resource via available software, portals, etc.
- Other information as required by IHS, e.g., assignment of benefits.

IHS Patient Registration staff will ask you to verify your information, *EVERY TIME* you present to our clinic. We realize you may not be feeling well, we apologize for any inconvenience.

IHS MUST VERIFY the following:

- ***Mailing Address*:** The correct address is important for IHS to correspond with you regarding your health, appointment information, and PRC status of your referral.
  - We also need the **physical location** of your residence, for PRC referral purposes.
- ***Telephone Number*:** IHS may need to quickly contact you regarding important health information, lab results or appointment information from IHS or Private Sector Health Care Providers.
- ***Private Insurance, Medicare, or Medicaid Information*:** Correct information is required for IHS billing and PRC referrals. Incorrect information may delay PRC payment.
- ***Tribal Enrollment Information***: If we don't have this information on file, we may request you to provide it or sign a Release of Information, so we can obtain it from your Tribe. Federal regulations require we obtain this information, for IHS to provide you with health services.
- ***Other Information***: We may ask you to verify employment, emergency contact, and other demographic information.

We appreciate your cooperation & patience with our Patient Registration staff as they check you in; we need the correct information to manage your health care. Thank You!

Residency (42 CFR §136.23)

To be PRC eligible, an applicant must be a member **or** a descendant of an enrolled member of a federally recognized tribe; and reside on a reservation, or;

If not residing on a reservation, must reside within a PRC Delivery Area (PRCDA); and:

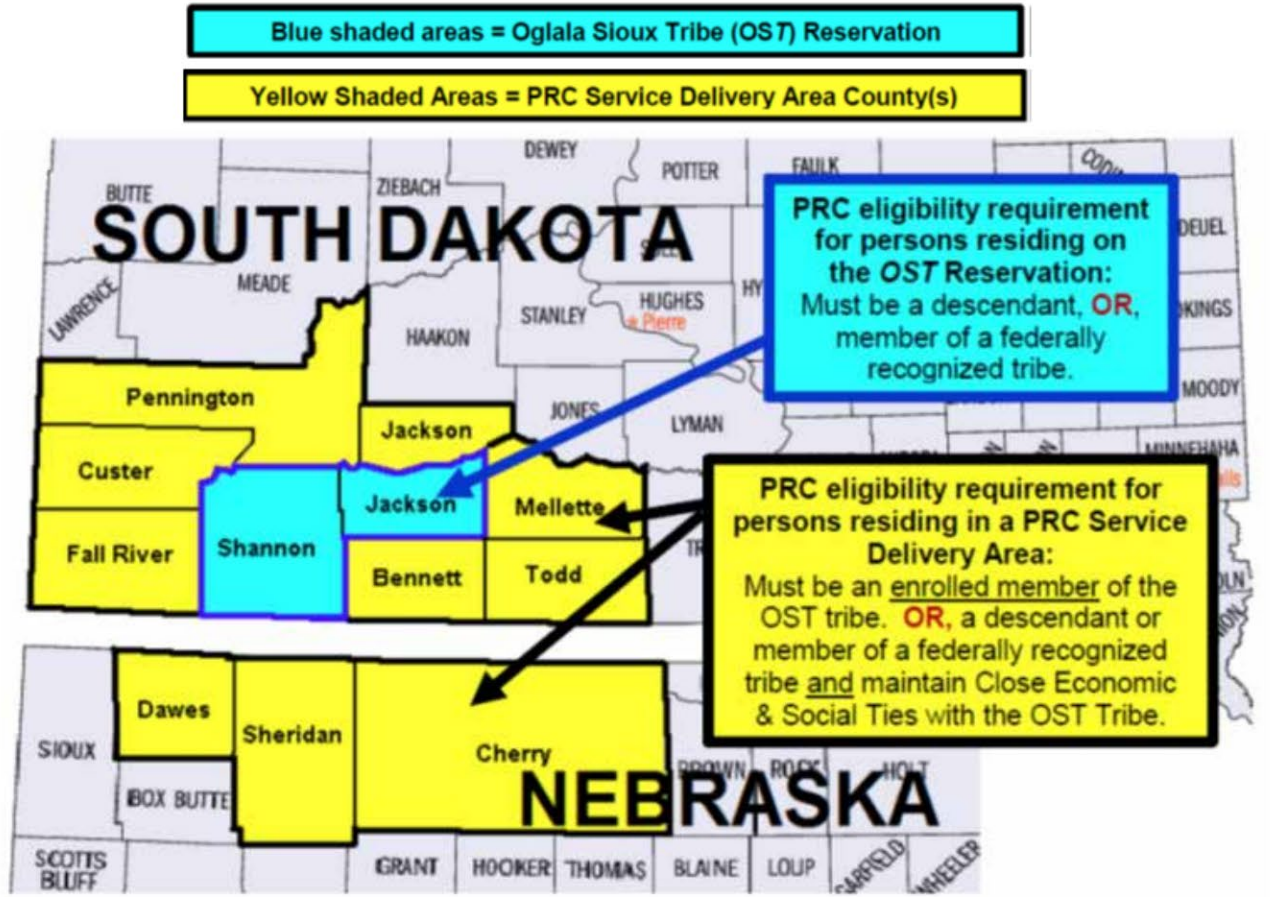
- Are members of the tribe(s) located on that reservation; or
- Maintain close economic and social ties with that tribe.

  "Residence: Where a person lives and makes his or her home as evidenced by acceptable proof of residency or acceptable proof established by the Service Unit." Persons claiming PRC eligibility have the responsibility to furnish documentation to substantiate the claim.

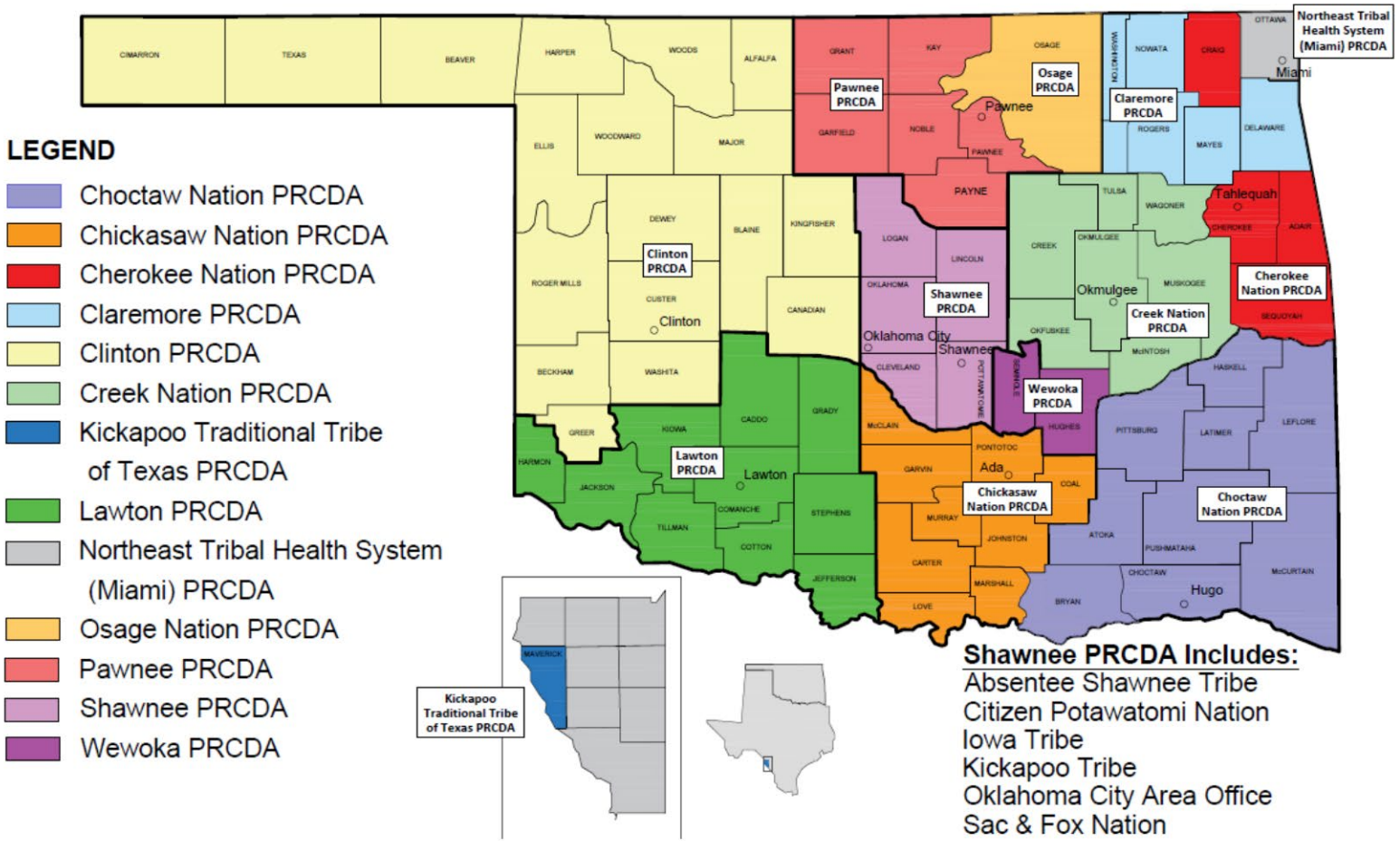
- Proof of Residency Policy and/or **IHS-976 form**. https://www.hhs.gov/sites/default/files/ihs-976.pdf
- PRCDA: consists of a county which includes all or part of a reservation, and any county or counties which have a common boundary with the reservation.

  Illustration/Example of a PRCDA on the next slides…

Illustration of a current PRC DA



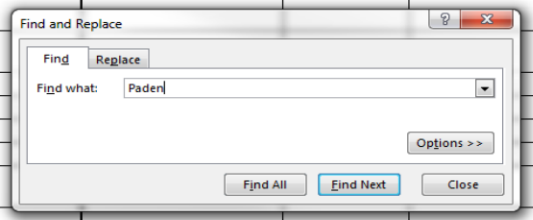
Oklahoma and Texas Purchased/Referred Care Delivery Areas (PRCDAs)



Oklahoma PRC DA Directory

Due to the complexity of determining a patient's delivery area in the Oklahoma City Area, we have created an excel sheet of all cities to assist vendors/providers and all our PRC sites.

Okay	Wagoner	*2 service units	Inpt/Creek Nation	ER/Outpt/Claremore IHS
Okeene	Blaine	Clinton Service Unit	(580) 331-3590 or (888) 843-3092	Fax (580) 331-3565
Okemah	Okfuskee	Creek Nation	(918) 758-2710	Fax (918) 756-1732
Okesa	Osage	Pawnee Service Unit	(918) 762-2517	Fax (918) 762-4696
Okfuskee	Okfuskee	Creek Nation	(918) 758-2710	Fax (918) 756-1732
Oklahoma City	Oklahoma	OKC Area Office	(405) 951-6075	Fax (405) 951-3920
Okmulgee	Okmulgee	Creek Nation	(918) 758-2710	Fax (918) 756-1732
Oktaha	Muskogee	*2 service units	Outpt/ER Cherokee	Inpatient/Creek Nation
Oleta	Pushmataha	Choctaw Nation (Talihina)	(918) 567-7000	Fax (918) 567-7035
Olney	Coal	Chickasaw Nation (Ada)	(580) 421-4549 or (800) 851-9136	Fax (580) 421-4501
Olustee	Jackson	Lawton Service Unit	(580) 353-0350 or (888) 275-4886	Fax (580) 354-5168
Onapa	McIntosh	Creek Nation	(918) 758-2710	Fax (918) 756-1732
Oneta	Wagoner	Creek Nation	(918) 758-2710	Fax (918) 756-1732
Oologah	Rogers	Claremore Service Unit	(918) 342-6466	Fax (918) 342-6557
Orlando	Noble	Pawnee Service Unit	(918) 762-2517	Fax (918) 762-4696
Orr	Love	Chickasaw Nation (Ada)	(580) 421-4549 or (800) 851-9136	Fax (580) 421-4501
Osage	Osage	Pawnee Service Unit	(918) 762-2517	Fax (918) 762-4696
Oscar	Jefferson	Lawton Service Unit	(580) 353-0350 or (888) 275-4886	Fax (580) 354-5168
Overbrook	Love	Chickasaw Nation (Ada)	(580) 421-4549 or (800) 851-9136	Fax (580) 421-4501
Owasso	Tulsa	Claremore Service Unit	(918) 342-6466	Fax (918) 342-6557
Ozark	Jackson	Lawton Service Unit	(580) 353-0350 or (888) 275-4886	Fax (580) 354-5168
Paden	Okfuskee	Creek Nation	(918) 758-2710	Fax (918) 756-1732
Page	Leflore	Choctaw Nation (Talihina)	(918) 567-7000	Fax (918) 567-7035
Panama	Adair	Cherokee Nation	(918) 453-5558	Fax (918) 458-6124
Panola	Leflore	Choctaw Nation (Talihina)	(918) 567-7000	Fax (918) 567-7035
Panola	Latimer	Choctaw Nation (Talihina)	(918) 567-7000	Fax (918) 567-7035



PRCDA Redesignation Website

Indian Health Service
The Federal Health Program for American Indians and Alaska Natives

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A to Z Index | Employee Resources | Feedback

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IHS Home / Purchased/Referred Care (PRC) / PRCDA Expansion

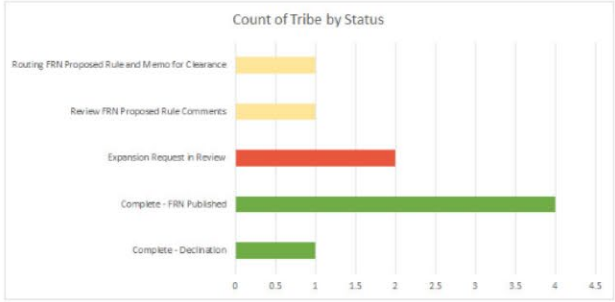
Purchased/Referred Care (PRC)

- Medical Priorities
- PRCDA Expansion
- History
- Eligibility
- Appeal Process
- Patient Rights and Grievances
- Program Directory
- Glossary and Terms
- Frequently Asked Questions (FAQ's)
- Catastrophic Health Emergency Fund (CHEF)
- Data Quality Workgroup - Data Reporting
- Director's Workgroup on Improving PRC
- Medicare-Like Rates Information
- PRC Rates Information
- PRC Seminars
- Resources
- Training
- Program Staff

PRCDA Expansion

This webpage contains information on Re-Designation of a Purchased/Referred Care Delivery Area (PRCDA) also known as a PRCDA Expansion Request status and the most current official full PRCDA listings. With Medicaid Expansion and the implementation of PRC Rates (Medicare Like rates) many tribes are seeing their PRC dollars cover more services and would also like to cover more of their beneficiaries that are not currently covered under their existing PRCDA and are requesting PRCDA Re-designation or expansion. Details on how to re-designate or expand a Tribes PRCDA are located in the IHM Part 2 Chapter 3 Purchased/Referred Care, 2-3.4 REDESIGNATION OF A PRCDA.

The PRCDA Expansion Request Tracker is below.



The PRCDA listing is provided in the PDF link below. The list includes two recent expansions, the Spokane Tribe and the Mid-Atlantic Tribes.

PURCHASED/REFERRED CARE DELIVERY AREAS [PDF - 243 KB]

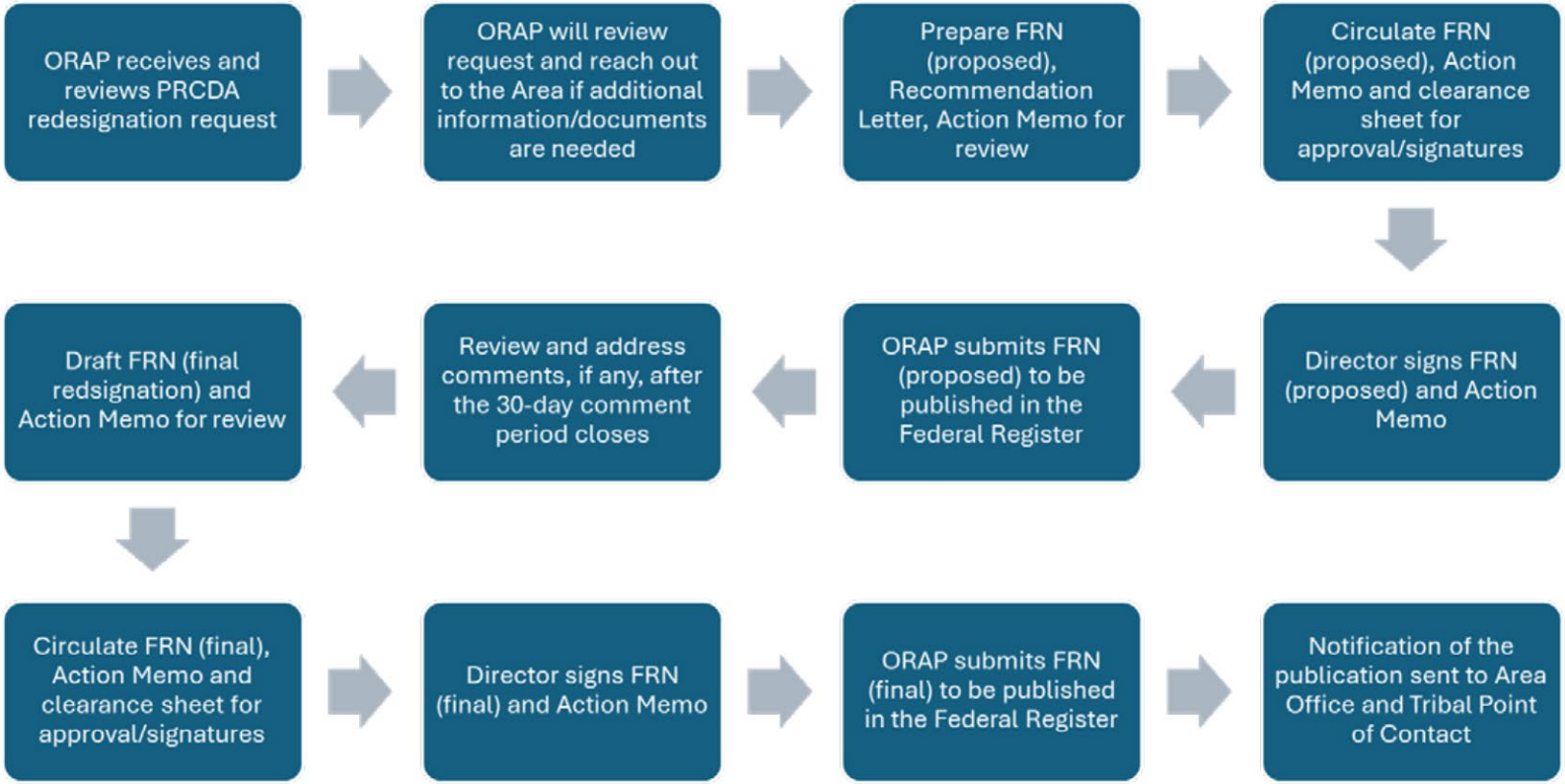
PRCDA vs Service Delivery Area

- The Purchased/Referred Care Delivery Area (PRCDA) means the geographic area within which PRC services will be made available by the IHS to members of an identified Indian community who reside in the area, subject to the provisions of 42 C.F.R. Part 136 Subpart C.
- A Service Delivery Area is a geographic area in which an **IHS beneficiary** must live in order to be counted in the user population of that ITU facility.

In most cases the PRCDA and Service Delivery Area are the same counties. However, in some cases they may differ. A Service Delivery Area must be requested by the IHS Area Office and is a different process from establishing a PRCDA. The OPHS Division of Program Statistics has templates for Area Office's to use in development of the draft Service Delivery Area decision memo. If Service Delivery Areas overlap, there must be negotiations between Tribes and the Area on how user population will be divided. This agreement must be included in the decision memo.

If you have any questions regarding PRCDA Expansion requests, please contact Alison Sanders, Alison.Sanders@ihs.gov

PRC DA Redesignation Request at HQ



Rosebud IHS Hospital

(Rosebud Sioux Tribe)

PRC Delivery Area (PRCDA)

Current process does allow for requests to expand PRCDA's. Rosebud Sioux Tribe utilized the process to add additional counties to their PRCDA, **however, additional funds were not included.**

Notification (42 CFR §136.24)

Emergent Care: Notify the appropriate PRC ordering official within 72 hours after the beginning of treatment or admission to a health care facility. Elderly (**65** years of age or older) and disabled are allowed 30 days to notify IHS or Tribal PRC Program.

- Notification may be made by an individual or agency acting on behalf of the individual.
- The notification shall include the necessary information to determine the relative medical need and the individual's eligibility. **(42 CFR 136.203)**

Non-Emergent Care: Obtain approval **prior** to receiving medical care and services. Notify the appropriate ordering official and provide information necessary to determine relative medical need. May be waived by the ordering official, if such notice and information are provided within 72 hours after beginning of treatment; and, ordering official determines prior notice was impracticable or other good cause exists for failure to provide prior notice.

Alternate Resources (42 CFR §136.61)

42 CFR §136.61 establishes IHS as the "Payor of Last Resort".

- ***Alternate Resources*** means health care resources other than those of the IHS. Such resources include Medicare, Medicaid, Private Health Insurance, and State or local health care. IHS is the Payor of Last Resort for approved PRC referrals.

- **IHS will not be responsible for or authorize payment for PRC to the extent that**:
  - The person would be eligible for Alternate Resources if he/she were to apply for them (not required to expend personal resources).
    - "REASONABLE INQUIRY" compare pt. income, etc. to Medicaid guidelines and if potentially eligible, IHS may require them to apply.
  - IHS Policy: *"…patients should not automatically be denied [PRC] benefits simply because of the possibility they might be eligible for an alternate resource".* IHS must do a Reasonable Inquiry prior to denial of a PRC referral.

Students/Transients (42 CFR §136.23)

Students and Transients*

- PRC may be available to students and transients who would be eligible for PRC at the place of their permanent residence within a PRCDA but are temporarily absent from their residence.
  - **Transients:** PRC eligible persons who are temporarily employed such as seasonal or migratory workers, during their absence.
  - **Students:** During full time attendance at programs of vocational, technical, or academic education, includes high school students. In addition, persons who leave a location (in which they were PRC eligible) may be eligible for PRC for a period of 180 days from such departure.

Students & Transients must still comply with all other PRC eligibility requirements.

Other PRC Eligible Persons

- Non-Indian woman pregnant with an eligible Indian's child – duration of pregnancy & up to 6 weeks postpartum. (proof required)
- Non-Indian member of an eligible Indian's household for public health hazard.
- Adopted, foster & step-children up to 19 years of age (IHCIA)

Must still comply with all other PRC requirements

PRC Review Committee

Review PRC referrals, monitor the expenditure of PRC funds and high-cost cases.
Medical staff assign medical priority and rank referrals within the medical priorities. Administrative staff authorize referrals within the weekly/daily spending plan in order of ranking, beginning with priority I.

- At a minimum the PRC Review Committee consists of CEO/AO, CD, DON or UR/Discharge Planner, Case Managers, Social Services, BH CM and PRC staff. PRC Review Committee meetings are held at least once weekly.
- Minutes of the meetings will be kept on file for audit purposes and tracking

- **Weekly/Daily Spending Limit** (fiscal year funding ÷52 weeks =weekly spending limit): IHS policy is to expend PRC funds at a consistent rate throughout the entire fiscal year to prevent radical changes in the level of medical care provided throughout the year.
- Determines the level of care (medical priority) a service unit is able to authorize.
- All requests for care are either **Approved** or **Denied**.
- **To Expedite Referral Process** – Prioritizing of **ROUTINE** Referrals may be delegated to an individual, could be a Nurse Case Manager for example.

Medical Priorities CFR §136.23)

42 CFR §136.23(e): When funds are insufficient to provide the volume of PRC indicated as needed by the population residing in a PRC Delivery Area, priorities for services shall be determined on the basis of relative medical need.

- PRC Medical Priorities are typically determined by IHS providers, routine referrals may be prioritized by a Nurse Case Manager to expedite them.
- PRC Medical Priorities were updated January 2024.

"Medicare Like Rates" (42 CFR §136 Subpart D)

42 CFR, Subpart D, §136.30 – Limitation on charges for services furnished by Medicare-Participating (in-patient) hospitals to Indians.

- Requires Medicare participating hospitals that provide inpatient hospital services to accept Medicare-Like Rates (MLR) as payment in full when delivering services to PRC eligible patients who are referred to them by programs funded by the IHS.
- MLR for IHS/Federal Facilities is determined by the IHS Fiscal Intermediary, Blue Cross Blue Shield of NM.
  - Tribally Operated PRC programs may contract with the IHS FI or purchase their own software to calculate the MLR. (MLR PPS pricer is available for free at cms.gov)
- Became effective July 5, 2007

"PRC Rates" (42 CFR §136, Subpart I)

The General Accounting Office (GAO), conducted a study and in April 2013 released a report recommending congress cap IHS PRC payments for physician and non-hospital services at rates comparable to other federal programs.

- NPRM published in the Federal Register (FR) December 5, 2014, extended to February 4, 2015, to allow for a 60-day comment period. Final rule published in FR on March 21, 2016, IHS addressed all comments in the preamble of the final rule.
- Effective date is May 20, 2016, IHS programs must implement no later than March 21, 2017. Tribes have the option to Opt-In to the rule and implement immediately or when they are fully able to implement the rule.

For medical services not previously covered by MLR. Described as payment for physicians and other health care professional services, associated with hospital and non-hospital-based care.

42 CFR Part 136, Subpart I – Limitation on Charges for Health Care Professional Services and Non-Hospital-Based Care.

- §136.203 – Payment for provider and supplier services purchased by Indian health programs.
  - Services covered are, but not limited to: Outpatient care, Physicians, Laboratory, Dialysis, Radiology, Pharmacy, and Transportation services.
- **3 Tier payment system**, 1) Contract, 2) Medicare Fee Schedule, 3) 65% of billed charges.

Denials & Appeals (42 CFR §136.25)

Persons to whom PRC are denied shall be notified of the denial in writing.

- **Denial Reasons in RPMS/CHSMIS:** Notification, Medical Priority, IHS Available, Alternate Resource Available, Indian Descent/Membership, & Residency.
  - PRC programs should ensure all applicable denial reasons are identified and applied.
- The Service Unit shall notify the applicant that within 30 days from the receipt of the denial:
  - The applicant may obtain a reconsideration by the appropriate CEO of the original denial; the request must be in writing.
- 3 levels* of appeal:
  - 1st level: CEO, Service Unit issuing the original denial
  - 2nd Level: Area Director, IHS
  - 3rd Level: Director, IHS, Rockville, MD
- The decision of the Director, IHS shall constitute final administrative action.
  - *The levels of appeal may differ for tribally contracted facilities.

Catastrophic Health Emergency Fund (CHEF)

Purpose:

- CHEF is established to support and supplement Purchased/Referred Care (PRC) programs that experience extraordinary medical costs associated with the treatment of disasters and/or catastrophic illnesses that are within the responsibility of Indian Health Service (IHS) and Tribes.

What is CHEF?

- The fund was created by Congress to **reimburse** medical expenses incurred for catastrophic illnesses and events falling within the PRC payment responsibility of IHS after a threshold cost has been met. The cost threshold for FY 2025 is **$19,095** and must first be met before reimbursements can be requested from the CHEF. First in/First out basis.
- Electronic CHEF Application (ECA), mandatory for IHS/federal sites and available to Tribal PRC Programs.

PRC Outreach

IHM, 2-3-9 E: Examples of notification include publication in local community or Tribal newspaper and posting of notices in public waiting areas in IHS facilities.

Outreach is periodically provided by Area PRC staff to Tribes, private sector vendor/providers, and others as requested.

PRC Service Unit staff make periodic vendor visits, especially with high volume vendor/providers and provide community outreach as well.

Questions?

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